

## SECTION 25D: PUPIL TRANSFERS BETWEEN DISTRICTS

### INFORMATION AND GUIDELINES FOR SCHOOL YEAR 2012-2013 ONLY

State School Aid Act Section 25d describes the method of payment from one district to another in the event that a pupil enrolled in a district is enrolled in a strict discipline academy or alternative education program offered by another district after the fall pupil count.

If the pupil is enrolled in an alternative education program, the enrolling district may charge the districts that counted those pupils in membership on the count day for a portion of the state aid generated. The enrolling district(s) must report the information to both the Department and to the district(s) in which the pupils were counted in membership. The district(s) in which the pupils were counted in membership will be required to pay to the educating district that portion of their foundation allowance, as calculated under Section 20 that represents the portion of the school year being spent in the enrolling district. If the district does not make the required payment within 30 days, the Department will calculate the amount owed and will make the necessary state aid payment adjustments. If the pupil is enrolled in a strict discipline academy, the strict discipline academy must inform the district(s) in which the pupils were counted in membership and the Department. Once the enrolling district has provided the necessary information to the Department, an adjustment will be made to the state aid payment for the enrolling district as well as the district where the pupil was counted in membership. Further information regarding this process continues on page 5.

Following is a listing of the types of information needed in order to bill another district under this section, and guidelines for determining the billing amount. Assistance in any or all of these areas can be obtained by contacting staff of the Office of State Aid and School Finance, Michigan Department of Education. Please contact Phil Boone at (517) 335-4059 or [boonep2@michigan.gov](mailto:boonep2@michigan.gov), or Brian Ciloski at (517) 373-3352 or [ciloskib@michigan.gov](mailto:ciloskib@michigan.gov).

#### **A. INFORMATION NEEDED IN ORDER TO BILL A DISTRICT UNDER § 25D**

The following information will be needed about **each pupil** when the district prepares communications and billing amounts.

- The **UIC**, or Unique Identifier Code, for each pupil transferring in.
- The pupil's **name** (Additional information, such as date of birth, may be needed for pupils from a relatively large district in order to verify the pupil's identity.)
- The **date of enrollment**
- The **district** (and the building, if possible) from which the pupil transferred and whether or not the district is a first or second year PSA (as opposed to a traditional public school district or a PSA in its third or later year)
- The **foundation allowance** per pupil of the district from which the pupil transferred (Note that the maximum foundation allowance to be used in this regard for 2012-2013 is \$8,019.)

- The **number of days** the pupil was enrolled in the newly enrolling district.

## **B. STEPS FOR DETERMINING THE BILLING AMOUNT**

The amount to be billed for a pupil who transferred from one district to another following the pupil membership count date, given that the district into which the pupil transferred meets the eligibility criteria of Section 25d, is based upon (1) **the state aid generated** on behalf of the pupil on the membership count date; and (2) **the proportion of days** the pupil was enrolled in the newly enrolling district.

**To determine the state aid generated on behalf of the pupil,** the information needed is:

**A** = the **foundation allowance** per pupil of the district that counted the pupil in membership on the count date; and

**YES / NO** - whether the district from which the pupil transferred is a public school academy in its first or second year of operation.

- The calculation of the state aid generated on behalf of the pupil, reflecting a district that **IS** a public school academy in its first or second year of operation is: **[A X 50%]**.
- The calculation of the state aid generated on behalf of the pupil, reflecting a district that **IS NOT** a public school academy in its first or second year of operation is: **[A X 90%]**.
- The calculation of the state aid generated on behalf of the pupil, reflecting a district with 2012-2013 foundation allowance greater than \$8,019.00 is: **[\$8,019.00 X 90%]**.

*Keep in mind that the result of this first calculation is NOT the billing amount. This figure must be modified by the proportion of days the pupil was in the district.*

### **Examples:**

- 1) John Doe was claimed in membership by Sunnydale Community Schools, a traditional public school district, with a FY2013 foundation allowance of \$8,000.00. The calculation is:

$$[\$8,000.00 \times 90\%] = \$7,200.00$$

- 2) Jane Smith was claimed in membership by Pleasant Valley Academy, a second year PSA, with a FY2013 foundation allowance of \$7,000.00. The calculation is:

$$[\$7,000.00 \times 50\%] = \$3,500.00$$

*Note: If the pupil was enrolled part-time pupil in the district that claimed the pupil in membership on the pupil membership count day, these calculations would have to be further modified to reflect the pupil's full-time equivalency (FTE) claimed on the count day. (See page 4)*

**To determine the proportion of days the pupil was enrolled in the newly enrolling district,** the information needed is:

**B** = the number of pupil instruction days on the building or district calendar of the newly enrolling district, from the date on which the pupil enrolled through the end of the student's enrollment in the district.

The calculation of the proportion of days the pupil was enrolled in the newly enrolling district is:

$$[B / 180 \text{ days}]$$

**Examples:**

- 3) Beginning with the day John Doe enrolled in Center City Schools, the newly enrolling district, John had been enrolled in Center City Schools for **132** pupil instruction days.

$$[132 / 180] = .7333$$

- 4) Beginning with the day Jane Smith enrolled in Center City Schools, the newly enrolling district, Jane had been enrolled in Center City Schools for 150 pupil instruction days.

$$[150 / 180] = .8333$$

**Determining the billing amount:** Once the information is gathered to determine (1) **the state aid generated** on behalf of the pupil on the membership count date; and (2) **the proportion of days** the pupil was enrolled in the newly enrolling district, the final billing amount can be calculated which is equal to:

$$[A \times 50\%] \times [B / 180]$$

If the pupil transferred in from a public school academy in its first or second year of operation, or:

$$[A \times 90\%] \times [B / 180]$$

If the pupil transferred in from a traditional public school district or a public school academy in its third or later year of operation.

### **Examples:**

- 5) John Doe was claimed in membership by Sunnydale Community Schools, a traditional public school district, with a FY2013 foundation allowance of \$8,000.00. Beginning with the day John Doe enrolled in Center City Schools, the newly enrolling district, John enrolled in Center City Schools for 132 pupil instruction days. The calculation is:

$$[\$8,000.00 \times 90\%] \times [132 / 180] = \$7,200.00 \times .7333 = \$5,279.76$$

- 6) Jane Smith was claimed in membership by Pleasant Valley Academy, a second year PSA, with a FY2013 foundation allowance of \$7,000.00. Beginning with the day Jane Smith enrolled in Center City Schools, the newly enrolling district, Jane enrolled in Center City Schools for 150 pupil instruction days. The calculation is:

$$[\$7,000.00 \times 50\%] \times [150 / 180] = \$3,500.00 \times .8333 = \$2,915.50$$

### **C. PART-TIME PUPILS**

If the pupil was enrolled as a part-time pupil in the district that claimed the pupil in membership on the pupil membership count day, these calculations would have to be further modified by the pupil's full-time equivalency (FTE) on the count day.

#### **Example:**

- 7) John Doe was a half-time pupil (.50 FTE) claimed in membership by Sunnydale Community Schools, a traditional public school district, with a FY2013 foundation allowance of \$8,000.00. Beginning with the day John Doe enrolled in Center City Schools, the newly enrolling district, John enrolled in Center City Schools for 132 pupil instruction days. The calculation is:

$$[\$8,000.00 \times 90\%] \times [132/180] = \$7,200.00 \times .7333 \times 50\% = \$2,639.88$$

### **D. HOW TO BILL THE ORIGINAL DISTRICT**

Communications between the two districts should be in writing, with the following recommended content:

- Section 25d should be clearly cited in the body of the letter.
- Include the name and telephone number / e-mail address of the staff person in the district who should be contacted if questions arise.
- It is recommended that a time frame for a response be included in the letter as well.
- Any spreadsheets or other calculation information that is the basis for the billing amount should accompany the letter. The billing detail should include:

- The Unique Identifier Code (**UIC**)
- The **pupil's name**
  - Additional information, such as date of birth, may be needed for pupils from a relatively large district in order to verify the pupil's identity.
- The **date of enrollment**
- The **foundation allowance** per pupil of the district from which the pupil transferred (Note that the maximum foundation allowance to be used in this regard for 2012-2013 is \$8,019.)
- The **number of days** the pupil was enrolled in the newly enrolling district.
- **FTE claimed** for pupil in Fall 2012 count.
- The Intermediate School District(s) as well as the Office of State Aid and School Finance at the Michigan Department of Education should be provided copies of the correspondence.
- *If the student was placed into the alternative education program through a court referral, documentation of the referral should be included with the bill.*

**If there is disagreement between the two districts** on the information used to calculate the billing amount that cannot be resolved with additional communication, the Intermediate School District should be contacted to verify pupil enrollment information. **If a district does not make the payment** required under Section 25d within 30 days of being notified, the Michigan Department of Education, Office of State Aid & School Finance should be contacted to make a state aid adjustment. The Department is statutorily authorized to intervene in this regard. Please note that the billing district should take into consideration the time of year during which the billing is taking place and may adjust the 30-day period accordingly to be more reasonable.

#### **E. STRICT DISCIPLINE ACADEMIES**

If a pupil is enrolled in a strict discipline academy for pupils who have been expelled or suspended from school or otherwise placed in a strict discipline academy as described in Section 1311g of the revised school code, MCL 380.1311g, and if the pupil is counted in membership in another district or intermediate district, the strict discipline academy shall report the enrollment information to the Department and to the district or intermediate district in which the pupil is counted in membership. The Department will then make the appropriate adjustments to State Aid for all entities involved.

#### **F. HOW TO BILL THE DEPARTMENT**

Please provide the Department with an excel spreadsheet detailing the following information for each pupil.

- The pupil's **name** (Additional information, such as date of birth, may be needed for pupils from a relatively large district in order to verify the pupil's identity.)
- The **date of enrollment**
- The **district** (and the building, if possible) from which the pupil transferred and whether or not the district is a first or second year PSA (as opposed to a traditional public school district or a PSA in its third or later year)
- The **foundation allowance** per pupil of the district from which the pupil transferred (Note that the maximum foundation allowance to be used in this regard for 2012-2013 is \$8,019.)
- The **UIC**, or Unique Identifier Code, for each pupil transferring in.
- The **number of days** the pupil was enrolled in the newly enrolling district.
- **FTE** claimed for pupil in Fall 2012 count.

**Note:** If interested, a strict discipline academy can apply the methodology found on page 2 of this document under 'Steps for Determining the Billing Amount', to calculate the adjustment amount for each student.

Please send your spreadsheet in via email to Phil Boone at [boonep2@michigan.gov](mailto:boonep2@michigan.gov), or Brian Ciloski at [ciloskib@michigan.gov](mailto:ciloskib@michigan.gov).

## **G. ADDITIONAL INFORMATION**

### **Accounting for pupil transfers under Section 25d**

This is an adjustment to the amounts recorded under the foundation allowance. Use major class code 311 and suffix 0010.

A listing of school districts and public school academies and their 2012-2013 foundation allowance amounts can be accessed on the web at:

***<http://www.mi.gov/sasf>***

The text of State School Aid Act Section 25d is enclosed.

For additional assistance, contact the staff of the Office of State Aid and School Finance, Michigan Department of Education. Please contact Phil Boone at (517) 335-4059 or [boonep2@michigan.gov](mailto:boonep2@michigan.gov), or Brian Ciloski at (517) 373-3352 or [ciloskib@michigan.gov](mailto:ciloskib@michigan.gov).

## **Section 25d of the State School Aid Act**

### **Sec. 25d.**

- (1) This section applies for 2012-2013 only.
- (2) If a pupil is enrolled in an alternative education program operated by an intermediate district or district for the purpose of educating pupils who have been expelled from school or referred from the court, and if the pupil is counted in membership in another intermediate district or district, the intermediate district or district operating the alternative education program shall report the enrollment information to the Department and to the district in which the pupil is counted in membership, and the intermediate district or district in which the pupil is counted in membership shall pay to the intermediate district or district operating the alternative education program an amount equal to the amount of the foundation allowance or per-pupil payment as calculated under Section 20 for the intermediate district or district in which the pupil is counted in membership, prorated according to the number of days of the school year ending in the fiscal year the pupil is educated in the alternative education program compared to the number of days of the school year ending in the fiscal year the pupil was actually enrolled in the intermediate district or district in which the pupil is counted in membership. The foundation allowance or per-pupil payment shall be adjusted by the pupil's full-time equated status as affected by the membership definition under Section 6(4). If an intermediate district or district does not make the payment required under this section within 30 days after receipt of the report, the Department shall calculate the amount owed, shall deduct that amount from the remaining state school aid payments to the intermediate district or district for that fiscal year under this act, and shall pay that amount to the intermediate district or district operating the alternative education program. The intermediate district or district in which the pupil is counted in membership and the intermediate district or district operating the alternative education program shall provide to the Department all information the Department requires to enforce this section.
- (3) If a pupil is enrolled in a strict discipline academy for pupils who have been expelled or suspended from school or otherwise placed in a strict discipline academy as described in Section 1311g of the revised school code, MCL 380.1311g, and if the pupil is counted in membership in another district or intermediate district, the strict discipline academy shall report the enrollment information to the Department and to the district or intermediate district in which the pupil is counted in membership. Upon receipt of enrollment information under this subsection indicating that a pupil has enrolled in a strict discipline academy as described in this subsection, the Department shall do both of the following:
  - (a) Adjust the membership calculation for the district or intermediate district in which the pupil was counted in membership so that the district's or intermediate district's membership is prorated to allow the district or intermediate district to receive for each school day in which the pupil was enrolled in the district an amount equal to 1/180 of the

- foundation allowance or per-pupil payment as calculated under Section 20 for the district or intermediate district. The foundation allowance or per-pupil payment shall be adjusted by the pupil's full-time equated status as affected by the membership definition under Section 6(4).
- (b) Include in the calculation of state school aid for the strict discipline academy for each school day in which the pupil is enrolled in the strict discipline academy, not to exceed a number of school days equal to the difference between 180 and the number of school days in which the pupil was reported under this section as previously enrolled in one (1) or more other districts or intermediate districts, an amount equal to  $1/180$  of the per-pupil payment as calculated under Section 20 for the strict discipline academy. The per-pupil payment shall be adjusted by the pupil's full-time equated status as affected by the membership definition under Section 6(4).
  - (4) The changes in calculation of state school aid required under Subsection (3) shall take effect as of the date that the pupil enrolls in the strict discipline academy, and the Department shall base all subsequent payments under this act for the fiscal year to the affected districts or intermediate districts and for the strict discipline academy, as applicable, on this recalculation of state school aid.
  - (5) If a pupil enrolls in a strict discipline academy as described in Subsection (3), if adjustments are made in calculations pursuant to Subsection (3) due to that enrollment, and if the pupil subsequently ceases to be enrolled in the strict discipline academy, the strict discipline academy shall notify the Department of the last date of the pupil's enrollment in the strict discipline academy and the number of days the pupil was enrolled in the strict discipline academy.
  - (6) If a pupil enrolls in a strict discipline academy as described in Subsection (3), the district or intermediate district in which the pupil is counted in membership and the strict discipline academy shall provide to the Department all information the Department requires to comply with this section.